



## **BUILDING BETTER TRANSPORTATION COMMITTEE**

### **Meeting Report June 7, 2004**

**PRESENT:** Vice Chair Linda LeZotte, Councilmember Forrest Williams, Councilmember Cindy Chavez, Vice Mayor Dando

**STAFF:** Ed Shikada, Bill Hughes, Jim Helmer, Kevin O'Conner, Hans Larsen, Ben Tripousis, Betsy Shotwell, Sharon Landers, Bill Ekern

**GUESTS:** Scott Knies, Executive Director, San José Downtown Association

**ABSENT:** Chair David Cortese

The meeting was convened at 1:34 p.m.

Vice Chair LeZotte began the meeting stating that Chair Cortese would be arriving late.

#### **a. Expansion and Improvement of Transit and Transportation Systems**

1. No items

#### **b. Traffic Relief/Safe Streets**

1. Business District Streetscape Implementation and Maintenance Report, Presentation and direction to move forward with next steps in the potential formation of a Property Business Improvement District, in the Downtown Core and Neighborhood Business Districts – **Deferred from May 3, 2004**

Jim Helmer, Director, Department of Transportation prefaced the report by stating that last October the City Council / Redevelopment Agency (RDA) approved streetscape guidelines for downtown and in doing so we recognize that with the approval of new policies, standards, and guiding documents for how we build out our downtown in terms of quality of streetscape (light poles, light standards, high quality signage, landscaping, lighting, sidewalk treatment, and street furniture), with the new standards, we could further exacerbate our ability to maintain a high quality downtown, which is necessary for our business district throughout the City. We have invested over a billion dollars in

the downtown in the last 20 years. We are continuing to improve the downtown, but we also recognize the fact that we will need to look for better ways to maintain our assets. We spend a little over a million dollars a year from the general fund to maintain the downtown. In other areas throughout the City we spend only about \$70,000 a year for an area about the same size as the downtown, that is 15 times the investment spent in the downtown area because it takes that much of an investment to keep the downtown looking good and being safe.

We have begun discussion of looking into the formation of special districts. We have been in communications with the San José Downtown Association, and they have a business improvement district where by they assess all of the licensed businesses downtown an annual fee for all the business improvements programs and services they provide. The downtown association in the past has looked at expanding their Business Improvement District (BID) into a Property Business Improvement District (PBID) and that is where it would involve the property owners as well as the lessee, and you expand your tax base and provide additional funding, although it would include the City of San José as a property owner. Staff is continuing to meet with the RDA, the Downtown Association, and other key stakeholders to look for ways in which we can implement a special district of some type that could raise additional revenues each year to be spent back into the district to improve the enterprise. We are working with Public Works to see what the costs would be to form certain types of districts, so what we are looking for today is your input on this proposal / suggestion, the formation of a leadership team of key stakeholders, City & RDA staff to move this item forward and bring back a report to the Committee at a later time.

Scott Knies, Executive Director, San José Downtown Association, stated that the association looked two years ago at Property Business Improvement District (PBID) very carefully, did boundaries, came up with assessment formulas and baseline services the City was providing in the downtown. When they went out and looked at the assessment levels for the PBID at the time, some of the private property owners that were paying as much as \$70,000 per year, they were interested more in the safety function as well as marketing. Not looking purely at maintenance operations such as sidewalk cleaning, looking at an array of services.

Jim Helmer stated that part of the leadership role with the San José Downtown Association, RDA, and City staff would be to look at the engineering and the analysis of what kind of service levels you would get at what associated cost. Also how we would outreach and market the programs to our stakeholders.

Councilmember Chavez asked about the recommendation that says maintenance and other services deemed necessary, such as marketing and security. What is your definition of marketing in this statement?

Jim Helmer stated that he was talking about going out to our business and property owners and marketing the concept to them and if we were to form a special district then it would be marketing as we know marketing the downtown to be.

Councilmember Chavez would like to recommend before we move through the process, that we understand what each element of activity costs, types of security that is needed and that all of our planning have the financial infrastructure in a way that allows people to pull items in and out to decide under what terms and conditions we think are appropriate to move forward, and also to give people choices based on the area that they are in. Councilmember Chavez asked staff is there were enough people on the development team that will be working on this.

Sharon Landers, Assistant Executive Director, Redevelopment Agency, stated that it is quite an extensive effort and will require additional staff support, within each organization there will be the need to have staff dedicated to spend a significant amount of time working on it. Jim Helmer added that it would also include in the review all different mechanisms for improvements.

Councilmember Chavez then highlighted our need to marry a specific plan tool with a tool in the beginning so the groups have a menu to choose from on how the plans relate on how their plans get funded. She wants to make sure that the development roundtable discussions are connected enough so that the next level of work can be taken in account.

Councilmember Williams asked what are the expected results from this report? Would it be more customers visiting San José or more of a statement about the City? Jim Helmer stated that there are many categories where we can Measure success, the success of the downtown is a business concern, are we bring in new developments, are we measuring the cleanliness of the downtown and is it at the level we want, how is our safety, and are our customers being receptive to possible marketing or ambassadors. These are the types of things we intend to achieve from moving forward upon approval from the Committee. One thing that is critical as we have been fluctuating our level of resources over the last couple of years, is our baseline of maintenance which is less today than two years ago. From the Downtown Association perspective why would you want to assess yourself for something that two years ago the City was providing? We have to establish good baseline levels in all measurement and assessment categories to determine what we want to add.

Bill Ekern, Director, Redevelopment Agency, added that this is really a leveraging of public and private monies which is one of the reasons we are trying to look at that, it helps us extend the public dollars and the downtown could be broken up into several special districts which may be necessary to get what is needed within a specific area with specific interests. He feels this is one advantage to the PBID process, because the property owners get a say, and the assessment is based on their criteria. Also the PBID comes from the businesses, property owners up rather than an assessment district being imposed by government coming down. It would show up on property tax assessment and it is even longer than that that the money become available to put into these services.

Councilmember Chavez remarked that we should start thinking about whether or not we will be putting money aside for economic development plan so we can start to fund that sooner and then pay ourselves back as we do not want people waiting a long time for improvements.

Vice Mayor Dando mentioned that San Diego has a model that is very refined to whatever the particular business might be interested in and also we want to be cautious as not seeing this as the government starting to assess people because we entice business into the downtown. She thinks it will be difficult in the areas of maintenance, marketing, and safety, as people wonder what the City is doing for them with their tax money, business license fees, etc...this should not be seen as just another way of taxing people. We might also look at VTA and rework their share of the transit mall, as they have never really paid their part, this might be an opportunity to rework that relationship.

Vice Chair LeZotte asked about the one-year timeline being optimistic stated earlier, what if looks like that will not happen, how do we proceed? Do we pick an area of the city and bring something forward for the next budget cycle or would it be pushed off? Sharon Landers answered by stating that kind of discussion will take place in the leadership group, once we start talking to businesses, these issues would be worked out through public outreach. The downtown would be the more than likely spot to begin and then talk to different neighborhood groups that have expressed interest. We are mindful of the extreme budget cuts that will be taking place over the course of this year that will have impacts on things that we all feel very strongly about in the downtown.

Vice Chair LeZotte then commented on the demographics of the task force to include more than the normal regular people, we need to expand the public outreach to users, SJSU students, shop owners, daytime workers, and the residents.

**Upon motion by Councilmember Chavez and seconded by Vice Mayor Dando, the Committee unanimously accepted the report.**

**c. Supporting Smart Growth**

1. No items

**d. Regional Relationships/Funding/Policy**

1. Presentation and discussion of high-speed rail alignment & Caltrain electrification and regional prioritization

Jim Helmer began by reporting that this is a timely report due to the new “Baby Bullet” train from San Francisco to San José beginning. Today Hans Larsen, Deputy Director, Department of Transportation, and Ben Tripousis, Associate Transportation Specialist, Department of Transportation, will give an overview of where we are with the high-speed rail and what has occurred recently at the public authority meeting in San José, two weeks ago.

Hans Larsen noted that the written staff report has the background history of the high-speed rail project as well as Caltrain electrification. He reviewed attachment A that is the proposed route for the high-speed system. The key market area is providing

connection between Northern California and Southern California on a high speed train system similar to the bullet train they have in Europe and Japan, which trains travel at speeds of 220 mph, so that there is a competitive market for air travel.

Hans Larsen went on to say that there is a measure proposed for 2004 to begin funding the system with sales tax dollars, with a 2/3 support. In terms of economic development there is huge job creation, the economic development interest in smart growth, concentrating development around key activity centers. The support has been strong from the business community, the environmental community, and institutional agencies, Hans then went over the alignment options, which is detailed in the report under the analysis section. He outlined the funding and ballot measure.

Councilmember Chavez questioned the ballot measure and when it was to come forth. Ben Tripousis answered that it is on the ballot for 2004, the legislature is attempting to shift it to 2006, the governor wanted to delay it as long as 2008, the Senate defeated that move and it now being debated in the Assembly for a compromise and come to the November, 2006 ballot.

Hans Larsen then went into the Caltrain Electrification portion of the report, including history, issues, Caltrain funding, and the joint planning and shared systems. It has generated some controversy on how it fits into other regional investments priorities. The big benefit of the electrification is environmental than the fact that it promotes more ridership, the electric trains are quieter and produce less pollution, as well as the ridership benefits in that it is somewhat faster. It has been projected that electrification would add about 4000 riders a day to the Caltrain system, but given the \$600 million investment it is generally a low return.

Vice Chair LeZotte asked about the \$600 million, what would be the timing if the electrification went forward versus the timing of the high-speed rail coming through? Hans answered that generally from our perspective and given the fact that high-speed rail is moving forward, we are looking at 2016 for revenue service.

Vice Chair LeZotte asked given that VTP2030 is a long range plan and right now there are quite a few things in front of it, if we were to go forward with electrification could it occur given the funding and everything before 2016? Hans stated that was subject to policy action, based on the VTA technical criteria, it is low on the priority list and as a result would be more out of it, considering that high-speed rail is ahead of it in the plan. Although the north county cities have said they really want to see this move forward faster.

Ben Tripousis articulated that the High Speed Rail Authority is made it fairly clear that they are building the line, and that \$9 billion bond measure is going to pay for the line not the station areas and the their significant improvements, they will build a platform for the train to stop but the station areas are for the local jurisdictions to develop so it can accommodate high-speed rail, and Diridon Station is a big piece of that for us. Assuming that everything comes together we have \$200 + million identified in Measure A that can now go for developing our connection to high-speed rail and not

for electrification, so there are better uses for those dollars assuming it goes forward as we hope it will.

Councilmember Chavez thought it might be helpful to receive additional information items as things get secured and as we further refine what our partnership could look like for the high-speed rail. It would make it easier for us to talk about the whole package we would be buying and what the JPA has in the works and keep tabs then on how much we have for the station areas.

Vice Mayor Dando added that if JPA is not having this discussion they need to and would be helpful to bring this item back on a fairly regular basis to VTA and get the correlation of the high-speed and electrification. In doing regional planning we need to look at the uses of the money and what would be the best investment for the \$200 million long term versus just to get a piece of the pie right now.

Ben Tripousis clarified that it is not Measure A where the funds come from it is the VTP2030 where it is allocated.

Hans made one more point about the huge access into the Diridon station and pulling together BART, bus, Caltrain, high-speed rail, and lightrail, the arena Diridon strategic development plan that VTA & RDA funded basically set a footprint and land use around that area and the kind of facility that the high-speed rail system would require, which is potentially like building a grand an airport terminal type facility within the downtown area. Again it is up to the local communities the level of investment that they want to make around their stations. One thing that we identified as a VTP2030 priority is doing additional investment in planning the expanded Diridon station.

**The Committee accepted the report.**

**e. Oral Petitions**

There were none.

**f. Adjournment**

**The Committee was adjourned at 2:43 p.m.**

Councilmember Dave Cortese, Chair,  
Building Better Transportation Committee